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Methodology Statement: 2018 US Business Locations and Business Summary Data

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Methodology Statement: 2018 US Business Locations and Business Summary Data

Esri extracts its business data from a comprehensive list of businesses licensed from Infogroup®. This business list contains data on more than 12.5 million US businesses—including the business name, location, franchise code, industry classification code, number of employees, and sales volume—that is current as of January 2018.

Data Sources

In maintaining and adding to its business database, Infogroup references several sources including directory listings such as Yellow Pages and business white pages; annual reports; 10-K and Securities and Exchange Commission (SEC) information; federal, state, and municipal government data; business magazines; newsletters and newspapers; and information from the US Postal Service. To ensure accurate and complete information, Infogroup conducts annual telephone verifications with each business listed in the database.

Esri provides reports and file extracts from the business database that include the number of businesses by industry classification and employment size or sales volume; total employment; and, when available, information about total sales. Included are both versions of industry classification—the former four-digit Standard Industrial Classification (SIC) system and the updated and expanded six-digit 2017 North American Industry Classification System (NAICS). In addition to the typical SIC and NAICS summary-level codes, the database also includes Infogroup's proprietary six-digit SIC and eight-digit NAICS industry codes and a special industry code for select industries. These codes provide more detailed information such as the number of rooms in hotels or motels or the number of beds in hospitals and nursing homes. Total annual sales volume data is reported (in thousands of dollars) for business locations.

Business Locations

An address list of businesses is compiled by Infogroup from its sources and telephone verifications. These addresses are geocoded to assign latitude and longitude coordinates to the business site and append Census geographic codes via spatial overlay. The quality of the local address system varies; address matching is better in urban areas that use street-level address systems than in rural areas. Overall, 92.3 percent of the businesses are geocoded at the address level, which includes coordinates and census block codes.

Last year, Infogroup made two major changes to its business listings. First, it undertook an effort to purge unverifiable business locations. If a business could not be reached via telephone verification, and no alternative phone number could be found, it is flagged as "out of business" and removed from the database. Second, its methods and inputs used to model a location's sales have been updated. The

combination of both changes may show a variance from the 2016 database depending on your trade area and/or industries of interest.

Lastly, Esri uses the geographic codes to report business data for summary areas such as states, counties, census tracts, and block groups. This year, records for ATMs, electric vehicle charging stations, and addresses with post office box numbers or missing entries have been omitted from the geographic summary files. However, these records remain in the 12.5 million record-level database. Aggregations by ZIP codes are created from the business database. ZIP codes from Infogroup may differ from the residential ZIP codes in the Esri® demographic databases because Infogroup includes business-only ZIP codes that are unique to particular establishments and include no residential area. The coordinates of each business are used to assign it to a user-defined polygon.

For more information about business data, call 1-800-447-9778.

Esri's Data Development Team

Led by chief demographer Kyle R. Cassal, Esri's data development team has a 35-year history of excellence in market intelligence. The team's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts for the United States. The team develops exclusive demographic models and methodologies to create market-proven datasets, many of which are now industry benchmarks such as Tapestry Segmentation, Consumer Spending, Market Potential, and annual Updated Demographics. Esri demographics powers the ArcGIS® platform through dynamic web maps, data enrichment, reports, and infographics.

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Esri, the global market leader in geographic information system (GIS) software, offers the most powerful mapping and spatial analytics technology available.

Since 1969, Esri has helped customers unlock the full potential of data to improve operational and business results. Today, Esri software is deployed in more than 350,000 organizations including the world's largest cities, most national governments, 75 percent of Fortune 500 companies, and more than 7,000 colleges and universities. Esri engineers the most advanced solutions for digital transformation, the Internet of Things (IoT), and location analytics to inform the most authoritative maps in the world.

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